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SENSITIVE

DEPARTMENT FOR EEB/IFD/OMA ANDREW SNOW AND RICHARD FIGUEROA  
DEPARTMENT ALSO FOR AF/W

E.O. 12958 N/A

TAGS: PREL EAID ECON SL

SUBJECT: SIERRA LEONE: FISCAL TRANSPARENCY UPDATE

REF: STATE 16737

¶1. (SBU) Pursuant to reftel, please find the following responses:

¶2. The budget is published, but is not available on the internet. A copy of the budget can be purchased for 2000 Leones (less than \$1). Given the standard of living in the country for the vast majority of the population, even this seemingly small amount is an impediment to dissemination. Further, the level of education for most Sierra Leoneans is such that their understanding of the budget would be limited. It is unclear whether or not the Ministry of Finance conducts outreach for the general population on the budget.

¶3. It is very difficult to ascertain if all revenues and expenditures are included in the budget, and if what is reported is meaningful or accurate. The new administration inherited a cash-poor government in a country rife with corruption. Accountability for funds has been, and continues to be, a significant issue in Sierra Leone, especially since 60% of the budget is donor-funded (Note: The U.S. provides no budget support. End note.).

¶4. The country is weak on lack of fiscal transparency, likely for a combination of reasons. The Government of Sierra Leone (GoSL) at large has severely limited capacity to effectively perform its duties, which has a tremendous impact on its ability to manage and account for funds. It is a possibility that lack of will has played a role in the past, given that corruption is known to be a significant issue here. During his successful pursuit of the Presidency, which he won in September 2007, President Koroma made anti-corruption a large part of his platform as a candidate. In the first months of his administration he has supported the ongoing reform of the Anti-Corruption Commission and has declared "zero tolerance" on corruption as a cornerstone of his administration. Despite these efforts, rumblings in the press and comments made by businessmen continue to suggest that corrupt officials are taking advantage of their official position by siphoning funds and requesting and/or accepting bribes. It is too soon in the President's tenure to know if his anti-corruption stance will parlay into concrete ameliorative action.

¶5. There are USG programs to strengthen capacity on a number of issues. DoD supports anti-corruption training targeted at law enforcement and civil servants. USAID funds various corruption-related programs, as well as good governance projects that stress accountability, transparency, and fair electoral and government processes. Other donors, notably the World Bank, UK's DFID, the African Development Bank, and the European Commission, support complementary programs. The World Bank, for example, funds technical advisors who sit in the Ministry of Finance.

¶6. GoSL has not volunteered to report on compliance with standards and codes covering fiscal transparency.

PERRY